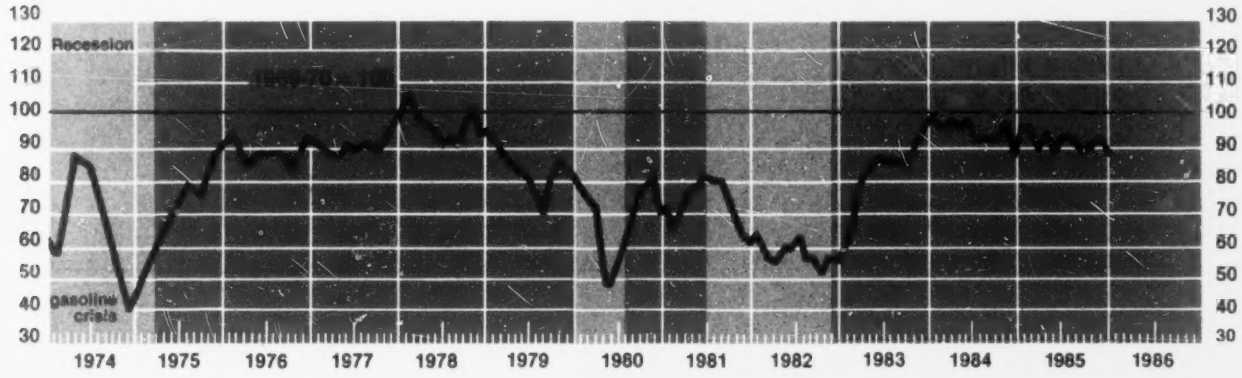
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

January, 1986



CONSUMERS LESS CONFIDENT BUY BUYING PLANS STEADY

Consumer confidence retreated slightly at the end of the old year. The Board's Index (1969-70 = 100) fell to 86.0, a loss of some 5.5 points for the month. However, the present reading is just about what it was the same time a year earlier. Plans to buy registered little change for the month.

In appraising the present scene, consumers are now less positive than they were in the immediately preceding probe. Somewhat fewer people feel that business conditions are "good," and a larger number than earlier complain that jobs are "hard to get."

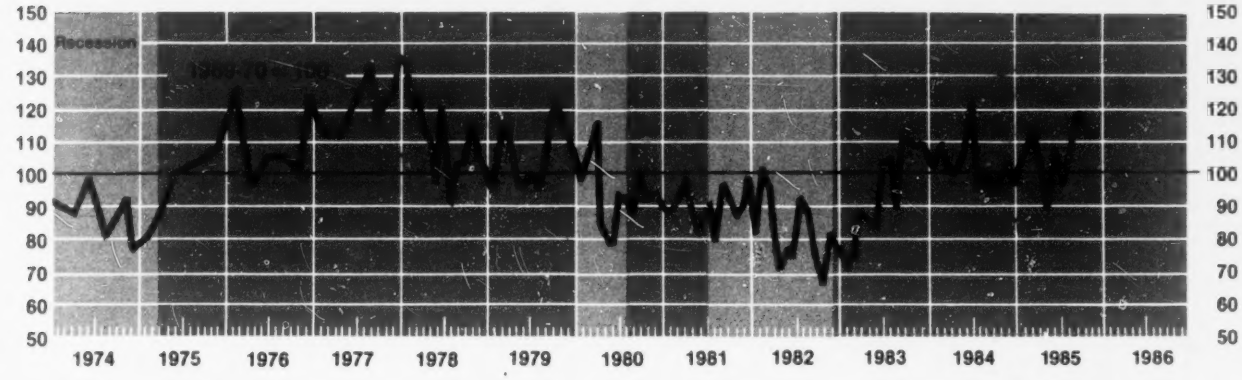
Consumer expectations for the months ahead are also, on balance, less positive than in the last survey. Fewer persons now expect business conditions to improve, and there is more uneasiness about job prospects. Consumers are also less sanguine about their income in the months ahead. Fewer than last time expect it to increase; more are concerned that it will decline.

Despite some concern about the economy—and in particular, jobs—plans to buy continue steady. Some 9.6% say they will buy a car in the next six months, up fractionally from the immediately preceding survey. Almost 30% of all participants cited plans to acquire a major appliance, also slightly more than earlier. Plans to buy a home were indicated by 3.7% of the respondents, down moderately for the month.

The most recent consumer sentiment figures remain within the narrow range that has persisted for some time. For more than a year now there have been modest month-to-month fluctuations, but no significant trend in either direction. Although the Confidence Index edged off a bit in the final month of the year, it still remains at a sturdy level. This evidently is consistent with the ongoing economic experience—continued growth but only at a modest rate. The latest survey results suggest that this uninspiring performance is likely to continue at least through the initial quarter of 1986. But, on the positive side, there are none of the customary warnings from the consumer of a recession ahead.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984		1985											
	Nov.	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*Jun.*	*Jul.*	*Aug.*	*Sep.*	*Oct.*	*Nov. (r)*	*Dec. (p)*
Composite Series: Index Numbers, 1969-1970 = 100														
Consumer Confidence Index	96.8	85.9	95.4	95.8	87.8	93.1	87.2	91.5	92.1	89.8	88.2	89.9	91.5	86.0
Present Situation	81.0	72.1	83.2	83.2	78.7	85.1	80.4	82.9	82.5	75.7	77.6	80.8	81.2	76.1
Expectations	107.3	95.0	103.6	104.1	93.8	98.4	91.7	97.3	98.5	99.2	95.3	95.9	98.4	92.6
Buying Plans Index	102.7	96.2	102.3	107.1	113.8	101.4	88.8	107.6	97.7	105.3	119.5	117.2	110.4	111.2
Appraisal of Present Situation: Percent														
Business Conditions														
Good	29.6	25.6	29.4	28.8	28.3	29.5	28.3	29.0	27.8	25.6	26.3	27.7	28.0	27.3
Bad	20.1	22.0	19.1	19.6	19.8	18.1	20.3	20.1	19.8	23.9	21.9	21.7	21.1	22.7
Normal	50.3	52.4	51.5	51.6	51.9	52.4	51.4	50.9	52.4	50.5	51.8	50.6	50.9	50.0
Employment														
Jobs plentiful	19.1	16.5	18.8	19.8	17.7	19.0	19.1	20.3	19.5	18.8	19.4	19.8	19.7	18.0
Jobs not so plentiful	47.8	48.5	50.9	49.4	49.1	51.3	48.7	48.2	50.3	50.0	47.9	49.7	49.5	49.4
Jobs hard to get	33.1	35.3	30.3	30.8	33.2	29.7	32.2	31.5	30.2	31.2	32.7	30.5	30.8	32.6
Expectations for Six Months Hence: Percent														
Business Conditions														
Better	26.1	20.0	22.0	23.7	19.5	19.7	18.3	20.5	19.9	21.3	20.2	22.3	21.2	18.6
Worse	8.6	10.2	7.5	7.5	9.6	8.2	9.1	8.7	7.8	9.1	9.3	10.8	9.0	9.1
Same	65.3	69.8	70.5	68.8	70.9	72.1	72.6	70.8	72.3	69.6	70.5	66.9	69.8	72.3
Employment														
More jobs	19.2	16.4	17.9	17.2	14.3	15.0	13.4	15.2	15.2	16.6	15.3	17.3	16.4	15.0
Fewer jobs	13.7	17.2	14.3	13.7	16.7	15.0	16.9	16.0	15.4	15.0	17.0	17.5	16.6	17.5
Same	67.1	66.4	67.8	69.1	69.0	70.0	69.7	68.8	69.4	68.4	67.7	65.2	67.0	67.5
Income														
Increase	30.9	26.7	28.9	26.1	26.9	26.2	25.6	27.7	26.7	26.2	27.4	28.4	29.1	26.6
Decrease	6.8	7.9	8.2	7.7	7.9	7.2	8.2	7.7	7.7	7.6	7.9	8.6	7.7	9.0
Same	62.3	65.4	62.9	66.2	65.2	66.6	66.2	64.6	65.6	66.2	64.7	63.0	63.2	64.4
Plans to Buy Within Six Months: Percent														
Automobile														
Yes	8.5	8.1	8.9	9.2	10.1	7.9	7.2	8.8	7.6	8.8	11.0	8.7	9.3	9.6
New	4.9	4.6	4.7	4.8	5.3	4.3	4.0	4.8	5.0	5.0	6.2	5.2	5.6	5.0
Used	2.7	2.6	2.8	3.1	3.6	2.9	2.5	3.1	2.4	3.0	3.6	2.8	2.7	3.4
Uncertain	0.9	0.9	1.4	1.3	1.2	0.7	0.7	0.9	0.2	0.8	1.2	0.7	1.0	1.2
Home														
Yes	3.1	2.9	3.2	3.1	3.6	3.7	3.1	3.5	3.5	3.5	3.6	3.6	3.9	3.7
New	1.0	1.2	0.8	0.9	0.8	0.9	0.9	1.1	1.3	0.9	1.1	1.2	0.8	0.9
Lived in	1.3	1.2	1.5	1.4	1.6	2.0	1.4	1.6	1.3	1.5	1.6	1.7	1.8	2.0
Uncertain	0.8	0.5	0.9	0.8	1.2	0.8	0.8	0.8	0.7	1.1	0.9	0.7	1.3	0.8
Major appliances														
Total plans	29.5	27.8	27.1	29.5	28.7	25.9	22.7	29.5	28.4	26.5	29.8	37.3	28.0	29.1
Refrigerator	4.5	4.2	3.5	3.8	3.9	3.7	3.2	4.7	4.9	3.7	3.8	4.9	3.8	4.5
Washing machine	3.9	3.9	3.7	3.6	3.9	4.3	2.9	3.8	3.6	3.9	4.3	5.9	3.7	3.7
Black and white TV	1.0	0.7	0.7	0.6	0.8	0.4	0.4	0.5	0.9	0.7	0.5	0.8	0.7	0.8
Color TV	7.8	7.0	7.3	8.1	7.6	7.0	6.4	8.4	7.2	7.0	8.2	10.4	8.3	8.1
Vacuum Cleaner	4.7	5.0	5.1	5.3	4.5	4.0	3.3	4.8	4.2	4.0	5.1	6.0	5.0	4.8
Range	2.9	2.5	2.3	2.9	2.6	2.0	2.3	2.8	2.9	3.1	2.9	3.2	2.6	3.0
Clothes dryer	3.2	2.9	3.2	3.4	3.2	3.0	2.6	3.0	3.3	2.7	3.7	4.5	2.8	2.7
Air conditioner	1.5	1.6	1.3	1.8	2.2	1.5	1.6	1.5	1.4	1.4	1.3	1.6	1.1	1.5
Carpet	7.4	7.0	5.8	7.8	7.0	7.1	5.9	7.5	7.2	7.4	7.4	8.8	7.1	6.5
Vacation Intended Within Six Months: Percent														
Vacation Intended		45.1		48.9		48.9		50.3		48.7		49.2		44.5
Destination														
Home state		7.2		9.6		9.3		9.7		9.4		8.8		8.3
Other state		31.6		33.7		33.8		35.2		34.0		35.4		32.1
Foreign country		6.8		7.1		8.2		6.9		7.1		6.0		5.7
Means of Travel														
Automobile		26.5		29.6		30.1		32.1		29.9		29.8		25.9
Airplane		17.9		19.3		20.0		19.4		19.1		18.3		18.5
Other		3.7		4.6		5.7		4.3		4.1		3.8		4.5

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.